



DOUGLAS A. DUCEY
GOVERNOR

STATE OF ARIZONA
OFFICE OF THE GOVERNOR

EXECUTIVE OFFICE

May 31, 2019

The Honorable Katie Hobbs
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Hobbs:

I am transmitting to you the following bills from the Fifty-fourth Legislature, 1st Regular Session, which I signed on May 31st, 2019:

H.B. 2747 general appropriations act; 2019-2020. (Bowers)
H.B. 2748 capital outlay; appropriations; 2019-2020. (Bowers)
H.B. 2749 K-12 education; budget reconciliation; 2019-2020. (Cobb)
H.B. 2750 higher education; budget reconciliation; 2019-2020. (Cobb)
H.B. 2751 budget procedures; budget reconciliation; 2019-2020. (Cobb)
H.B. 2752 criminal justice; budget reconciliation; 2019-2020. (Bowers)
H.B. 2753 environment; appropriation; 2019-2020. (Bowers)
H.B. 2754 health; budget reconciliation; 2019-2020. (Cobb)
H.B. 2755 human services; budget reconciliation; 2019-2020. (Cobb)
H.B. 2756 revenue; budget reconciliation; 2019-2020. (Bowers)
H.B. 2757 tax provisions; omnibus. (Toma)

Sincerely,

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

House Engrossed
FILED
KATIE HOBBS
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-fourth Legislature
First Regular Session
2019

CHAPTER 270
HOUSE BILL 2754

AN ACT

AMENDING SECTIONS 13-4512 AND 36-273, ARIZONA REVISED STATUTES; AMENDING SECTION 36-405.02, ARIZONA REVISED STATUTES, AS ADDED BY LAWS 2019, CHAPTER 215, SECTION 4; AMENDING TITLE 36, CHAPTER 4, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-425.06; AMENDING SECTIONS 36-540 AND 36-550.05, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 5, ARTICLE 10, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-550.09; AMENDING SECTION 36-773, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 36-2903.12 AND 36-2903.13; AMENDING SECTIONS 36-2985 AND 41-3955.01, ARIZONA REVISED STATUTES; AMENDING TITLE 46, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 9; REPEALING TITLE 46, CHAPTER 2, ARTICLE 9, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO HEALTH BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 13-4512, Arizona Revised Statutes, is amended to read:

13-4512. Competency restoration treatment; order; commitment; costs

A. The court may order a defendant to undergo out of custody competency restoration treatment. If the court determines that confinement is necessary for treatment, the court shall commit the defendant for competency restoration treatment to the competency restoration treatment program designated by the county board of supervisors.

B. If the county board of supervisors has not designated a program to provide competency restoration treatment, the court may commit the defendant for competency restoration treatment to the Arizona state hospital, subject to funding appropriated by the legislature to the Arizona state hospital for inpatient competency restoration treatment services, or to any other facility that is approved by the court.

C. A county board of supervisors that has designated a county restoration treatment program may enter into contracts with providers, including the Arizona state hospital, for inpatient, ~~in-custody~~ IN-CUSTODY competency restoration treatment. A county competency restoration treatment program may do the following:

1. Provide competency restoration treatment to a defendant in the county jail, including inpatient treatment.

2. Obtain court orders to transport the defendant to other providers, including the Arizona state hospital, for inpatient, ~~in-custody~~ IN-CUSTODY competency restoration treatment.

D. In determining the type and location of the treatment, the court shall select the least restrictive treatment alternative after considering the following:

1. ~~if~~ WHETHER confinement is necessary for treatment.

2. The likelihood that the defendant is a threat to public safety.

3. The defendant's participation in and cooperation during an outpatient examination of competency to stand trial conducted pursuant to section 13-4507.

4. The defendant's willingness to submit to outpatient competency restoration treatment as a condition of pretrial release, if the defendant is eligible for pretrial release.

E. An order entered pursuant to this section shall state ~~if~~ WHETHER the defendant is incompetent to refuse treatment, including medication, pursuant to section 13-4511.

F. A defendant shall pay the cost of inpatient, ~~in-custody~~ IN-CUSTODY competency restoration treatment unless otherwise ordered by the court. If the court finds the defendant is unable to pay all or a

1 portion of the costs of inpatient, ~~in custody~~ IN-CUSTODY treatment, the
2 ~~state~~ CITY, TOWN OR COUNTY shall pay the costs of inpatient, ~~in custody~~
3 IN-CUSTODY competency restoration treatment at the Arizona state hospital
4 that are incurred until:

5 1. Seven days, excluding Saturdays, Sundays or other legal
6 holidays, after the hospital submits a report to the court stating that
7 the defendant has regained competency or that there is no substantial
8 probability that the defendant will regain competency within twenty-one
9 months after the date of the original finding of incompetency.

10 2. The treatment order expires.

11 3. Seven days, excluding Saturdays, Sundays or other legal
12 holidays, after the charges are dismissed.

13 G. The county, or the city if the competency proceedings arise out
14 of a municipal court proceeding, shall pay the hospital costs that are
15 incurred after the period of time designated in subsection F of this
16 section and shall also pay for the costs of inpatient, ~~in custody~~
17 IN-CUSTODY competency restoration treatment in ~~court approved~~
18 COURT-APPROVED programs that are not programs at the Arizona state
19 hospital.

20 H. Payment for the cost of outpatient community treatment ~~shall be~~
21 IS the responsibility of the defendant unless:

22 1. The defendant is enrolled in a program ~~which~~ THAT covers the
23 treatment and ~~which~~ THAT has funding available for the provision of
24 treatment to the defendant, and the defendant is eligible to receive the
25 treatment. Defendants in these circumstances may be required to share in
26 the cost of the treatment if cost sharing is required by the program in
27 which the defendant is enrolled.

28 2. The court finds that the defendant is unable to pay all or a
29 portion of treatment costs or that outpatient treatment is not otherwise
30 available to the defendant. For defendants in these circumstances, all or
31 a portion of the costs of outpatient community treatment shall be borne by
32 the county or the city if the competency proceedings arise out of a
33 municipal court proceeding.

34 I. A treatment order issued pursuant to this section is valid for
35 one hundred eighty days or until one of the following occurs:

36 1. The treating facility submits a report that the defendant has
37 regained competency or that there is no substantial probability that the
38 defendant will regain competency within twenty-one months after the date
39 of the original finding of incompetency.

40 2. The charges are dismissed.

41 3. The maximum sentence for the offense charged has expired.

42 4. A qualified physician who represents the Arizona state hospital
43 determines that the defendant is not suffering from a mental illness and
44 is competent to stand trial.

1 J. The Arizona state hospital shall collect census data for adult
2 restoration to competency treatment programs to establish maximum capacity
3 and the allocation formula required pursuant to section 36-206,
4 subsection D. The Arizona state hospital or the department of health
5 services is not required to provide restoration to competency treatment
6 that exceeds the funded capacity. If the Arizona state hospital reaches
7 its funded capacity in either or both the adult male or adult female
8 restoration to competency treatment programs, the superintendent of the
9 state hospital shall establish a waiting list for admission based on the
10 date of the court order issued pursuant to this section.

11 K. NOTWITHSTANDING ANY OTHER LAW, A COUNTY MAY MEET ANY STATUTORY
12 FUNDING REQUIREMENTS OF THIS SECTION FROM ANY SOURCE OF COUNTY REVENUE
13 DESIGNATED BY THE COUNTY, INCLUDING FUNDS OF ANY COUNTYWIDE SPECIAL TAXING
14 DISTRICT OF WHICH THE BOARD OF SUPERVISORS SERVES AS THE BOARD OF
15 DIRECTORS.

16 Sec. 2. Section 36-273, Arizona Revised Statutes, is amended to
17 read:

18 36-273. Powers and duties

19 A. The department may:

20 1. Use monies in the disease control research fund established
21 ~~pursuant to~~ BY section 36-274 to contract with individuals, organizations,
22 corporations and institutions, public or private, in this state for any
23 projects or services that the department determines may advance research
24 into the causes, the epidemiology and diagnosis, the formulation of cures,
25 the medically accepted treatment or the prevention of diseases, including
26 new drug discovery and development, AND FOR ACQUIRED IMMUNE DEFICIENCY
27 SYNDROME REPORTING AND SURVEILLANCE. Public monies in the disease control
28 research fund shall not be used for capital construction projects.

29 2. Enter into research and development agreements, royalty
30 agreements, development agreements, licensing agreements and profit
31 sharing agreements concerning the research, development and production of
32 new products developed or to be developed through ~~department-funded~~
33 DEPARTMENT-FUNDED research.

34 3. Accept or receive monies from any source, including restricted
35 or unrestricted gifts and contributions from individuals, foundations,
36 corporations and other organizations and institutions.

37 4. Obtain expert services to assist in ~~the evaluation of~~ EVALUATING
38 requests and proposals.

39 5. Request cooperation from any state agency for the purposes of
40 this article.

41 6. Provide information and technical assistance to other
42 jurisdictions and agencies.

43 7. Subject to title 41, chapter 4, article 4, employ personnel
44 needed to carry out the duties of this article.

1 B. The department shall:

2 1. Review and evaluate proposals or requests for projects or
3 services.

4 2. Establish a mechanism to review the contracts awarded to ensure
5 that the monies are used in accordance with the proposals approved by the
6 department.

7 3. Prepare and submit a report on or before January 15 of each year
8 to the governor, the president of the senate and the speaker of the house
9 of representatives that describes the projects or services proposed to the
10 department pursuant to this article, the projects or services for which
11 the department has awarded a contract and the amount of monies necessary
12 for each proposal, the cost of each proposal for which a contract was
13 awarded, the names and addresses of the recipients of each contract and
14 the purpose for which each contract was made. The department shall
15 provide a copy of this report to the secretary of state.

16 Sec. 3. Section 36-405.02, Arizona Revised Statutes, as added by
17 Laws 2019, chapter 215, section 4, is amended to read:

18 36-405.02. Outpatient behavioral health and other related
19 health care services; employees; rules

20 The department shall allow a person who is employed at a health care
21 institution that provides OUTPATIENT behavioral health services, who is
22 not a licensed behavioral health professional and who is at least eighteen
23 years of age to provide OUTPATIENT behavioral health or other related
24 health care services pursuant to all applicable department rules. The
25 director shall adopt rules consistent with this section.

26 Sec. 4. Title 36, chapter 4, article 2, Arizona Revised Statutes,
27 is amended by adding section 36-425.06, to read:

28 36-425.06. Secure behavioral health residential facilities;
29 license; definition

30 A. THE DEPARTMENT SHALL LICENSE SECURE BEHAVIORAL HEALTH
31 RESIDENTIAL FACILITIES TO PROVIDE SECURE TWENTY-FOUR-HOUR ON-SITE
32 SUPPORTIVE TREATMENT AND SUPERVISION BY STAFF WITH BEHAVIORAL HEALTH
33 TRAINING FOR PERSONS WHO HAVE BEEN DETERMINED TO BE SERIOUSLY MENTALLY
34 ILL, WHO ARE CHRONICALLY RESISTANT TO TREATMENT FOR A MENTAL DISORDER AND
35 WHO ARE PLACED IN THE FACILITY PURSUANT TO A COURT ORDER ISSUED PURSUANT
36 TO SECTION 36-550.09. A SECURE BEHAVIORAL HEALTH RESIDENTIAL FACILITY MAY
37 PROVIDE SERVICES ONLY TO PERSONS PLACED IN THE FACILITY PURSUANT TO A
38 COURT ORDER ISSUED PURSUANT TO SECTION 36-550.09 AND MAY NOT PROVIDE
39 SERVICES TO ANY OTHER PERSONS ON THAT FACILITY'S PREMISES. A SECURE
40 BEHAVIORAL HEALTH RESIDENTIAL FACILITY MAY NOT HAVE MORE THAN SIXTEEN
41 BEDS.

42 B. FOR THE PURPOSES OF THIS SECTION, "SECURE" MEANS PREMISES THAT
43 LIMIT A PATIENT'S EGRESS IN THE LEAST RESTRICTIVE MANNER CONSISTENT WITH
44 THE PATIENT'S COURT-ORDERED TREATMENT PLAN.

1 Sec. 5. Section 36-540, Arizona Revised Statutes, is amended to
2 read:

3 36-540. Court options

4 A. If the court finds by clear and convincing evidence that the
5 proposed patient, as a result of mental disorder, is a danger to self, is
6 a danger to others, has a persistent or acute disability or a grave
7 disability and is in need of treatment, and is either unwilling or unable
8 to accept voluntary treatment, the court shall order the patient to
9 undergo one of the following:

10 1. Treatment in a program of outpatient treatment.

11 2. Treatment in a program consisting of combined inpatient and
12 outpatient treatment.

13 3. Inpatient treatment in a mental health treatment agency, in a
14 hospital operated by or under contract with the United States department
15 of veterans affairs to provide treatment to eligible veterans pursuant to
16 article 9 of this chapter, in the state hospital or in a private hospital,
17 if the private hospital agrees, subject to the limitations of section
18 36-541.

19 B. The court shall consider all available and appropriate
20 alternatives for the treatment and care of the patient. The court shall
21 order the least restrictive treatment alternative available.

22 C. The court may order the proposed patient to undergo outpatient
23 or combined inpatient and outpatient treatment pursuant to subsection A,
24 paragraph 1 or 2 of this section if the court:

25 1. Determines that all of the following apply:

26 (a) The patient does not require continuous inpatient
27 hospitalization.

28 (b) The patient will be more appropriately treated in an outpatient
29 treatment program or in a combined inpatient and outpatient treatment
30 program.

31 (c) The patient will follow a prescribed outpatient treatment plan.

32 (d) The patient will not likely become dangerous or suffer more
33 serious physical harm or serious illness or further deterioration if the
34 patient follows a prescribed outpatient treatment plan.

35 2. Is presented with and approves a written treatment plan that
36 conforms with the requirements of section 36-540.01, subsection B. IF THE
37 COURT DETERMINES THAT THE PATIENT MEETS THE REQUIREMENTS OF SECTION
38 36-550.09, THE COURT MAY ORDER THE PATIENT TO BE PLACED IN A SECURE
39 BEHAVIORAL HEALTH RESIDENTIAL FACILITY THAT IS LICENSED BY THE DEPARTMENT
40 PURSUANT TO SECTION 36-425.06. If the treatment plan presented to the
41 court pursuant to this subsection provides for supervision of the patient
42 under court order by a mental health agency that is other than the mental
43 health agency that petitioned or requested the county attorney to petition
44 the court for treatment pursuant to section 36-531, the treatment plan

1 must be approved by the medical director of the mental health agency that
2 will supervise the treatment pursuant to subsection E of this section.

3 D. An order to receive treatment pursuant to subsection A,
4 paragraph 1 or 2 of this section shall not exceed three hundred sixty-five
5 days. The period of inpatient treatment under a combined treatment order
6 pursuant to subsection A, paragraph 2 of this section shall not exceed the
7 maximum period allowed for an order for inpatient treatment pursuant to
8 subsection F of this section.

9 E. If the court enters an order for treatment pursuant to
10 subsection A, paragraph 1 or 2 of this section, all of the following
11 apply:

12 1. The court shall designate the medical director of the mental
13 health treatment agency that will supervise and administer the patient's
14 treatment program.

15 2. The medical director shall not use the services of any person,
16 agency or organization to supervise a patient's outpatient treatment
17 program unless the person, agency or organization has agreed to provide
18 these services in the individual patient's case and unless the department
19 has determined that the person, agency or organization is capable and
20 competent to do so.

21 3. The person, agency or organization assigned to supervise an
22 outpatient treatment program or the outpatient portion of a combined
23 treatment program shall be notified at least three days before a referral.
24 The medical director making the referral and the person, agency or
25 organization assigned to supervise the treatment program shall share
26 relevant information about the patient to provide continuity of treatment.

27 4. The court may order the medical director to provide notice to
28 the court of any noncompliance with the terms of a treatment order.

29 5. During any period of outpatient treatment under subsection A,
30 paragraph 2 of this section, if the court, on its own motion or on motion
31 by the medical director of the patient's outpatient mental health
32 treatment facility, determines that the patient is not complying with the
33 terms of the order or that the outpatient treatment plan is no longer
34 appropriate and the patient needs inpatient treatment, the court, without
35 a hearing and based on the court record, the patient's medical record, the
36 affidavits and recommendations of the medical director, and the advice of
37 staff and physicians or the psychiatric and mental health nurse
38 practitioner familiar with the treatment of the patient, may enter an
39 order amending its original order. The amended order may alter the
40 outpatient treatment plan or order the patient to inpatient treatment
41 pursuant to subsection A, paragraph 3 of this section. The amended order
42 shall not increase the total period of commitment originally ordered by
43 the court or, when added to the period of inpatient treatment provided by
44 the original order and any other amended orders, exceed the maximum period

1 allowed for an order for inpatient treatment pursuant to subsection F of
2 this section. If the patient refuses to comply with an amended order for
3 inpatient treatment, the court, on its own motion or on the request of the
4 medical director, may authorize and direct a peace officer to take the
5 patient into protective custody and transport the patient to the agency
6 for inpatient treatment. Any authorization, directive or order issued to
7 a peace officer to take the patient into protective custody shall include
8 the patient's criminal history and the name and telephone numbers of the
9 patient's case manager, guardian, spouse, next of kin or significant
10 other, as applicable. When reporting to or being returned to a treatment
11 agency for inpatient treatment pursuant to an amended order, the patient
12 shall be informed of the patient's right to judicial review and the
13 patient's right to consult with counsel pursuant to section 36-546.

14 6. During any period of outpatient treatment under subsection A,
15 paragraph 2 of this section, if the medical director of the outpatient
16 treatment facility in charge of the patient's care determines, in concert
17 with the medical director of an inpatient mental health treatment facility
18 who has agreed to accept the patient, that the patient is in need of
19 immediate acute inpatient psychiatric care because of behavior that is
20 dangerous to self or to others, the medical director of the outpatient
21 treatment facility may order a peace officer to apprehend and transport
22 the patient to the inpatient treatment facility pending a court
23 determination on an amended order under paragraph 5 of this subsection.
24 The patient may be detained and treated at the inpatient treatment
25 facility for a period of no more than forty-eight hours, exclusive of
26 weekends and holidays, from the time that the patient is taken to the
27 inpatient treatment facility. The medical director of the outpatient
28 treatment facility shall file the motion for an amended court order
29 requesting inpatient treatment no later than the next working day
30 following the patient being taken to the inpatient treatment facility.
31 Any period of detention within the inpatient treatment facility pending
32 issuance of an amended order shall not increase the total period of
33 commitment originally ordered by the court or, when added to the period of
34 inpatient treatment provided by the original order and any other amended
35 orders, exceed the maximum period allowed for an order for inpatient
36 treatment pursuant to subsection F of this section. If a patient is
37 ordered to undergo inpatient treatment pursuant to an amended order, the
38 medical director of the outpatient treatment facility shall inform the
39 patient of the patient's right to judicial review and to consult with an
40 attorney pursuant to section 36-546.

41 F. The maximum periods of inpatient treatment that the court may
42 order, subject to the limitations of section 36-541, are as follows:

- 43 1. Ninety days for a person found to be a danger to self.

1 2. One hundred eighty days for a person found to be a danger to
2 others.

3 3. One hundred eighty days for a person found to have a persistent
4 or acute disability.

5 4. Three hundred sixty-five days for a person found to have a grave
6 disability.

7 G. If, on finding that the patient meets the criteria for
8 court-ordered treatment pursuant to subsection A of this section, the
9 court also finds that there is reasonable cause to believe that the
10 patient is an incapacitated person as defined in section 14-5101 or is a
11 person in need of protection pursuant to section 14-5401 and that the
12 patient is or may be in need of guardianship or conservatorship, or both,
13 the court may order an investigation concerning the need for a guardian or
14 conservator, or both, and may appoint a suitable person or agency to
15 conduct the investigation. The appointee may include a ~~court appointed~~
16 COURT-APPOINTED guardian ad litem, an investigator appointed pursuant to
17 section 14-5308 or the public fiduciary if there is no person willing and
18 qualified to act in that capacity. The court shall give notice of the
19 appointment to the appointee within three days of the appointment. The
20 appointee shall submit the report of the investigation to the court within
21 twenty-one days. The report shall include recommendations as to who
22 should be guardian or who should be conservator, or both, and a report of
23 the findings and reasons for the recommendation. If the investigation and
24 report so indicate, the court shall order the appropriate person to submit
25 a petition to become the guardian or conservator, or both, of the patient.

26 H. In any proceeding for court-ordered treatment in which the
27 petition alleges that the patient is in need of a guardian or conservator
28 and states the grounds for that allegation, the court may appoint an
29 emergency temporary guardian or conservator, or both, for a specific
30 purpose or purposes identified in its order and for a specific period of
31 time not to exceed thirty days if the court finds that all of the
32 following are true:

33 1. The patient meets the criteria for court-ordered treatment
34 pursuant to subsection A of this section.

35 2. There is reasonable cause to believe that the patient is an
36 incapacitated person as defined in section 14-5101 or is in need of
37 protection pursuant to section 14-5401, paragraph 2.

38 3. The patient does not have a guardian or conservator and the
39 welfare of the patient requires immediate action to protect the patient or
40 the ward's property.

41 4. The conditions prescribed pursuant to section 14-5310,
42 subsection B or section 14-5401.01, subsection B have been met.

43 I. The court may appoint as a temporary guardian or conservator
44 pursuant to subsection H of this section a suitable person or the public

1 fiduciary if there is no person qualified and willing to act in that
 2 capacity. The court shall issue an order for an investigation as
 3 prescribed pursuant to subsection G of this section and, unless the
 4 patient is represented by independent counsel, the court shall appoint an
 5 attorney to represent the patient in further proceedings regarding the
 6 appointment of a guardian or conservator. The court shall schedule a
 7 further hearing within fourteen days on the appropriate court calendar of
 8 a court that has authority over guardianship or conservatorship matters
 9 pursuant to this title to consider the continued need for an emergency
 10 temporary guardian or conservator and the appropriateness of the temporary
 11 guardian or conservator appointed, and shall order the appointed guardian
 12 or conservator to give notice to persons entitled to notice pursuant to
 13 section 14-5309, subsection A or section 14-5405, subsection A. The court
 14 shall authorize certified letters of temporary emergency guardianship or
 15 conservatorship to be issued on presentation of a copy of the court's
 16 order. If a temporary emergency conservator other than the public
 17 fiduciary is appointed pursuant to this subsection, the court shall order
 18 that the use of the money and property of the patient by the conservator
 19 is restricted and not to be sold, used, transferred or encumbered, except
 20 that the court may authorize the conservator to use money or property of
 21 the patient specifically identified as needed to pay an expense to provide
 22 for the care, treatment or welfare of the patient pending further hearing.
 23 This subsection and subsection H of this section do not:

24 1. Prevent the evaluation or treatment agency from seeking
 25 guardianship and conservatorship in any other manner allowed by law at any
 26 time during the period of court-ordered evaluation and treatment.

27 2. Relieve the evaluation or treatment agency from its obligations
 28 concerning the suspected abuse of a vulnerable adult pursuant to title 46,
 29 chapter 4.

30 J. If, on finding that a patient meets the criteria for
 31 court-ordered treatment pursuant to subsection A of this section, the
 32 court also learns that the patient has a guardian appointed under title
 33 14, the court with notice may impose on the existing guardian additional
 34 duties pursuant to section 14-5312.01. If the court imposes additional
 35 duties on an existing guardian as prescribed in this subsection, the court
 36 may determine that the patient needs to continue treatment under a court
 37 order for treatment and may issue the order or determine that the
 38 patient's needs can be adequately met by the guardian with the additional
 39 duties pursuant to section 14-5312.01 and decline to issue the court order
 40 for treatment. If at any time after the issuance of a court order for
 41 treatment the court finds that the patient's needs can be adequately met
 42 by the guardian with the additional duties pursuant to section 14-5312.01
 43 and that a court order for treatment is no longer necessary to ~~assure~~
 44 ENSURE compliance with necessary treatment, the court may terminate the

1 court order for treatment. If there is a court order for treatment and a
2 guardianship with additional mental health authority pursuant to section
3 14-5312.01 existing at the same time, the treatment and placement
4 decisions made by the treatment agency assigned by the court to supervise
5 and administer the patient's treatment program pursuant to the court order
6 for treatment are controlling unless the court orders otherwise.

7 K. The court shall file a report as part of the court record on its
8 findings of alternatives for treatment.

9 L. Treatment shall not include psychosurgery, lobotomy or any other
10 brain surgery without specific informed consent of the patient or the
11 patient's legal guardian and an order of the superior court in the county
12 in which the treatment is proposed, approving with specificity the use of
13 the treatment.

14 M. The medical director or any person, agency or organization used
15 by the medical director to supervise the terms of an outpatient treatment
16 plan is not civilly liable for any acts committed by a patient while on
17 outpatient treatment if the medical director, person, agency or
18 organization has in good faith followed the requirements of this section.

19 N. A peace officer who in good faith apprehends and transports a
20 patient to an inpatient treatment facility on the order of the medical
21 director of the outpatient treatment facility pursuant to subsection E,
22 paragraph 6 of this section is not subject to civil liability.

23 O. If a person has been found, as a result of a mental disorder, to
24 constitute a danger to self or others or to have a persistent or acute
25 disability or a grave disability and the court enters an order for
26 treatment pursuant to subsection A of this section, the court shall
27 transmit the person's name, sex, date of birth, social security number, if
28 available, and date of the order for treatment to the supreme court. The
29 supreme court shall transmit the information to the department of public
30 safety to comply with the requirements of title 13, chapter 31 and title
31 32, chapter 26. The department of public safety shall transmit the
32 information to the national instant criminal background check system. The
33 superior court may access the information of a person who is ordered into
34 treatment to enforce or facilitate a treatment order.

35 P. On request, the clerk of the court shall provide certified
36 copies of the commitment order to a law enforcement or prosecuting agency
37 that is investigating or prosecuting a prohibited possessor as defined in
38 section 13-3101.

39 Q. If the court does not find a person to be in need of treatment
40 and a prosecutor filed a petition pursuant to section 13-4517, the
41 evaluation agency, within twenty-four hours, shall notify the prosecuting
42 agency of its finding. The court shall order the medical director to
43 detain the person for an additional twenty-four hours to allow the
44 prosecuting agency to be notified. If the court has retained jurisdiction

1 pursuant to section 13-4517, subsection C, the court may remand the person
2 to the custody of the sheriff for further disposition pursuant to section
3 13-4517, subsection A, paragraph 2 or 3.

4 Sec. 6. Section 36-550.05, Arizona Revised Statutes, is amended to
5 read:

6 36-550.05. Community mental health residential treatment
7 services and facilities; prevention services

8 A. A residential or day treatment facility shall be designed to
9 provide a homelike environment without sacrificing safety or care.
10 Facilities shall be relatively small, WITH preferably fifteen or ~~less~~
11 FEWER beds.

12 B. Individual programs of a community residential treatment system
13 shall include the following:

14 1. A short-term crisis residential treatment program. This program
15 is an alternative to hospitalization for persons in an acute episode or
16 situational crisis requiring temporary removal from the home from one to
17 fourteen days. The program shall provide ADMISSION CAPABILITY twenty-four
18 ~~hour~~ HOURS A DAY, seven days a week ~~admission capability~~ in the least
19 restrictive setting possible to reduce the crisis and stabilize the
20 client. Services shall include direct work with the client's family,
21 linkage with prevocational and vocational programs, assistance in applying
22 for income, medical and other benefits and treatment referral.

23 2. A residential treatment program. This program shall provide a
24 ~~full-day~~ FULL-DAY treatment program for persons who may require intensive
25 support for a maximum of two years. The program shall provide
26 rehabilitation for chronic clients who need long-term support to develop
27 independence and for clients who live marginally in the community with
28 little or no support and periodically need rehospitization. Services
29 shall include intensive diagnostic evaluation, a ~~full-day~~ FULL-DAY
30 treatment program with prevocational, vocational and special education
31 services, outreach to social services and counseling to assist the client
32 in developing skills to move toward a less structured setting.

33 3. A SECURE BEHAVIORAL HEALTH RESIDENTIAL FACILITY PROGRAM. THIS
34 PROGRAM SHALL PROVIDE SECURE TWENTY-FOUR-HOUR ON-SITE SUPPORTIVE TREATMENT
35 AND SUPERVISION BY STAFF WITH BEHAVIORAL HEALTH TRAINING ONLY TO PERSONS
36 WHO HAVE BEEN DETERMINED TO BE SERIOUSLY MENTALLY ILL AND CHRONICALLY
37 RESISTANT TO TREATMENT PURSUANT TO A COURT ORDER ISSUED PURSUANT TO
38 SECTION 36-550.09.

39 ~~3.~~ 4. A ~~semi-supervised~~ SEMISUPERVISED, structured group living
40 program. This program is a cooperative arrangement in which three to five
41 persons live together in apartments or houses as a transition to
42 independent living. The program shall provide an increase in the level of
43 the client's responsibility for the functioning of the household and an
44 increase in the client's involvement in daytime activities outside the

1 house or apartment ~~which~~ THAT are relevant to achieving personal goals and
2 greater self-sufficiency. Services provided by the program shall include
3 counseling and client self-assessment, the development of support systems
4 in the community, a day program to encourage participation in the larger
5 community, activities to encourage socialization and use of general
6 community resources, rent subsidy and direct linkages to staff support in
7 emergencies.

8 ~~4.~~ 5. A socialization or day care/partial care program. This
9 program shall provide regular daytime, evening and weekend activities for
10 persons who require long-term structured support but who do not receive
11 such services in their residential setting. The program shall provide
12 support for persons who only need regular socialization opportunities and
13 referral to social services or treatment services. The program shall
14 provide opportunities to develop skills to achieve more independent
15 functioning and means to reduce social isolation. Services shall include
16 outings, recreational activities, cultural events and contact with
17 community resources, such as prevocational counseling and life skills
18 training.

19 C. Individual and family support prevention services shall provide
20 assistance to the seriously mentally ill residing in their own home. Such
21 prevention services shall include transportation, recreation,
22 socialization, counseling, respite, companion services and in-home
23 training.

24 D. Each individual program shall use appropriate multidisciplinary
25 staff to meet the diagnostic and treatment needs of the seriously mentally
26 ill and shall encourage use of paraprofessionals.

27 E. Each program shall have an evaluation method to assess the
28 effectiveness of the programs and shall include the following criteria:

- 29 1. Prevalence and incidence of the target behavioral problem.
30 2. Cost effectiveness.
31 3. Potential for implementing the program using available funds
32 MONIES and resources through cost-sharing.
33 4. Measurability of the benefits.
34 5. Effectiveness of intervention strategy.
35 6. Availability of resources and personnel.

36 F. Each community residential treatment system shall be designed to
37 provide:

- 38 1. Coordination between each program and other treatment systems in
39 the community.
40 2. A case management system to enhance cooperation of elements
41 within the system and provide each client with appropriate services.
42 3. Client movement to the most appropriate and least restrictive
43 service.

1 4. Direct referral of clients for specific programs ~~which~~ THAT does
2 not require the client to pass through the entire system to reach the most
3 appropriate service.

4 Sec. 7. Title 36, chapter 5, article 10, Arizona Revised Statutes,
5 is amended by adding section 36-550.09, to read:

6 36-550.09. Secure behavioral health residential facility;
7 court determination; findings

8 A. IF A COURT FINDS THAT A PATIENT MEETS THE CRITERIA FOR
9 COURT-ORDERED TREATMENT PURSUANT TO SECTION 36-540, SUBSECTION A, THE
10 COURT MAY APPROVE THE PATIENT'S PLACEMENT IN A SECURE BEHAVIORAL HEALTH
11 RESIDENTIAL FACILITY THAT IS LICENSED BY THE DEPARTMENT PURSUANT TO
12 SECTION 36-425.06 AND THAT IS WILLING TO ACCEPT THE PATIENT IF THE PATIENT
13 HAS BEEN DETERMINED TO BE SERIOUSLY MENTALLY ILL AND THE COURT FINDS THAT
14 THE PATIENT IS CHRONICALLY RESISTANT TO TREATMENT AS SET FORTH IN THIS
15 SECTION. PLACEMENT IN A SECURE BEHAVIORAL HEALTH RESIDENTIAL FACILITY FOR
16 TREATMENT IS NOT A PERIOD OF INPATIENT TREATMENT FOR THE PURPOSES OF
17 SECTION 36-540, SUBSECTION F.

18 B. A COURT MAY DETERMINE THAT A PERSON IS CHRONICALLY RESISTANT TO
19 TREATMENT IF THE COURT FINDS THAT, WITHIN TWENTY-FOUR MONTHS BEFORE THE
20 ISSUANCE OF A COURT ORDER PURSUANT TO THIS SECTION, EXCLUDING ANY TIME
21 DURING THIS PERIOD THAT THE PERSON WAS HOSPITALIZED OR INCARCERATED, THE
22 PERSON DEMONSTRATED A PERSISTENT OR RECURRENT UNWILLINGNESS OR INABILITY
23 TO PARTICIPATE IN OR ADHERE TO TREATMENT FOR A MENTAL DISORDER DESPITE
24 HAVING TREATMENT OFFERED, PRESCRIBED, RECOMMENDED OR ORDERED TO IMPROVE
25 THE PERSON'S CONDITION OR TO PREVENT A RELAPSE OR HARMFUL DETERIORATION OF
26 THE PERSON'S CONDITION. THE COURT'S FINDING SHALL BE BASED ON EVIDENCE
27 THAT ESTABLISHES ALL OF THE FOLLOWING BY CLEAR AND CONVINCING EVIDENCE:

28 1. THE PERSON RECEIVED TREATMENT IN THE PRECEDING TWENTY-FOUR
29 MONTHS IN OTHER LESS-RESTRICTIVE SETTINGS, INCLUDING UNSECURED RESIDENTIAL
30 TREATMENT SETTINGS WITH ON-SITE TWENTY-FOUR-HOUR SUPPORTIVE TREATMENT AND
31 SUPERVISION BY STAFF WITH BEHAVIORAL HEALTH TRAINING, AND THE TREATMENT
32 WAS UNSUCCESSFUL OR IS NOT LIKELY TO BE SUCCESSFUL DUE TO THE PERSON'S
33 EXPRESSED OR DEMONSTRATED UNWILLINGNESS TO COOPERATE WITH TREATMENT IN
34 OTHER LESS-RESTRICTIVE OR UNSECURED RESIDENTIAL TREATMENT SETTINGS.

35 2. THE PERSON'S NONADHERENCE TO OR NONPARTICIPATION IN TREATMENT
36 OVER THE PRECEDING TWENTY-FOUR MONTHS RESULTED IN ONE OR MORE OF THE
37 FOLLOWING:

38 (a) SERIOUS HARM TO SELF.

39 (b) SERIOUS HARM OR THREATS OF SERIOUS HARM TO OTHERS.

40 (c) RECURRENT PERIODS OF HOMELESSNESS RESULTING FROM THE MENTAL
41 DISORDER.

42 (d) RECURRENT SERIOUS MEDICAL PROBLEMS DUE TO POOR SELF-CARE OR
43 FAILURE TO FOLLOW MEDICAL TREATMENT RECOMMENDATIONS.

1 (e) RECURRENT ARRESTS DUE TO BEHAVIOR RESULTING FROM THE MENTAL
2 DISORDER.

3 3. ANY OTHER EVIDENCE RELEVANT TO THE PERSON'S WILLINGNESS OR
4 ABILITY TO PARTICIPATE IN AND ADHERE TO TREATMENT OR THE PERSON'S NEED FOR
5 TREATMENT IN A LICENSED SECURE RESIDENTIAL SETTING TO ENSURE THE PERSON'S
6 COMPLIANCE WITH COURT-ORDERED TREATMENT.

7 C. A PERSON'S PLACEMENT IN A LICENSED SECURE BEHAVIORAL HEALTH
8 RESIDENTIAL FACILITY FOR TREATMENT SHALL BE PART OF THE WRITTEN TREATMENT
9 PLAN PRESENTED TO AND APPROVED BY THE COURT AS REQUIRED BY SECTION 36-540,
10 SUBSECTION C, PARAGRAPH 2. THE COURT SHALL CONFIRM IN THE ORDER THAT THE
11 PERSON'S PLACEMENT IN A LICENSED SECURE BEHAVIORAL HEALTH RESIDENTIAL
12 FACILITY IS THE LEAST RESTRICTIVE ENVIRONMENT TO ENSURE THE PERSON'S
13 COMPLIANCE WITH THE TREATMENT PLAN.

14 Sec. 8. Section 36-773, Arizona Revised Statutes, is amended to
15 read:

16 36-773. Health research account

17 A. Five cents of each dollar in the tobacco tax and health care
18 fund shall be deposited in the health research account for research on
19 preventing and treating tobacco-related disease and addiction.

20 B. The department of health services shall administer the account.

21 C. Monies that are deposited in the health research account shall
22 ~~only~~ be used ONLY to supplement monies that are appropriated by the
23 legislature for ALZHEIMER'S DISEASE RESEARCH AND OTHER health research
24 purposes and shall not be used to supplant those appropriated monies.

25 Sec. 9. Title 36, chapter 29, article 1, Arizona Revised Statutes,
26 is amended by adding sections 36-2903.12 and 36-2903.13, to read:

27 36-2903.12. Hospital charge master transparency; joint annual
28 report

29 ON OR BEFORE JANUARY 2, 2020 AND EACH YEAR THEREAFTER, THE DIRECTOR
30 OF THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION AND THE
31 DIRECTOR OF THE DEPARTMENT OF HEALTH SERVICES SHALL SUBMIT A JOINT REPORT
32 ON HOSPITAL CHARGE MASTER TRANSPARENCY TO THE GOVERNOR, THE SPEAKER OF THE
33 HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF THE SENATE AND SHALL PROVIDE
34 A COPY TO THE SECRETARY OF STATE. THE REPORT SHALL DO ALL OF THE
35 FOLLOWING:

36 1. SUMMARIZE THE CURRENT CHARGE MASTER REPORTING PROCESS AND
37 HOSPITAL BILLED CHARGES COMPARED TO COSTS.

38 2. PROVIDE EXAMPLES OF HOW CHARGE MASTERS OR HOSPITAL PRICES ARE
39 REPORTED AND USED IN OTHER STATES.

40 3. INCLUDE RECOMMENDATIONS TO IMPROVE THIS STATE'S USE OF HOSPITAL
41 CHARGE MASTER INFORMATION, INCLUDING REPORTING AND OVERSIGHT CHANGES.

42 36-2903.13. Inpatient psychiatric treatment; annual report

43 A. ON OR BEFORE JANUARY 2, 2020 AND EACH YEAR THEREAFTER, THE
44 DIRECTOR OF THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION

1 SHALL SUBMIT A REPORT TO THE DIRECTOR OF THE JOINT LEGISLATIVE BUDGET
2 COMMITTEE ON THE AVAILABILITY OF INPATIENT PSYCHIATRIC TREATMENT BOTH FOR
3 ADULTS AND FOR CHILDREN AND ADOLESCENTS WHO RECEIVE SERVICES FROM THE
4 REGIONAL BEHAVIORAL HEALTH AUTHORITIES. THE REPORT SHALL INCLUDE ALL OF
5 THE FOLLOWING INFORMATION:

6 1. THE TOTAL NUMBER OF INPATIENT PSYCHIATRIC TREATMENT BEDS
7 AVAILABLE AND THE OCCUPANCY RATE FOR THOSE BEDS.

8 2. EXPENDITURES ON INPATIENT PSYCHIATRIC TREATMENT.

9 3. THE TOTAL NUMBER OF INDIVIDUALS IN THIS STATE WHO ARE SENT OUT
10 OF STATE FOR INPATIENT PSYCHIATRIC TREATMENT.

11 4. THE PREVALENCE OF PSYCHIATRIC BOARDING OR HOLDING PSYCHIATRIC
12 PATIENTS IN EMERGENCY ROOMS FOR AT LEAST TWENTY-FOUR HOURS BEFORE
13 TRANSFERRING THE PATIENTS TO A PSYCHIATRIC FACILITY.

14 B. THE REPORT SHALL PROVIDE THE INFORMATION SPECIFIED IN SUBSECTION
15 A OF THIS SECTION SEPARATELY FOR ADULTS WHO ARE AT LEAST TWENTY-ONE YEARS
16 OF AGE AND FOR CHILDREN AND ADOLESCENTS WHO ARE TWENTY YEARS OF AGE OR
17 YOUNGER.

18 Sec. 10. Section 36-2985, Arizona Revised Statutes, is amended to
19 read:

20 36-2985. Notice of program suspension; spending limit

21 A. ~~If this state's federal medical assistance percentage for the~~
22 ~~program is less than one hundred percent~~ THE DIRECTOR DETERMINES THAT
23 FEDERAL AND STATE MONIES APPROPRIATED FOR THE PROGRAM ARE INSUFFICIENT,
24 the administration shall immediately notify the governor, the president of
25 the senate and the speaker of the house of representatives and ~~shall~~
26 ~~immediately~~ MAY stop processing all new applications.

27 B. The total amount of state monies that THE ADMINISTRATION may ~~be~~
28 ~~spent~~ SPEND in any fiscal year ~~by the administration~~ for health care
29 provided under this article shall not exceed the amount appropriated or
30 authorized by section 35-173.

31 C. This article does not impose a duty on an officer, agent or
32 employee of this state to discharge a responsibility or create any right
33 in a person or group if the discharge or right would require an
34 expenditure of state monies in excess of the expenditure authorized by
35 legislative appropriation for that specific purpose.

36 Sec. 11. Section 41-3955.01, Arizona Revised Statutes, is amended
37 to read:

38 41-3955.01. Seriously mentally ill housing trust fund;
39 purpose; report

40 A. The seriously mentally ill housing trust fund is established.
41 The director of the Arizona health care cost containment system
42 administration shall administer the fund. The fund consists of monies
43 received pursuant to section 44-313 and investment earnings.

1 B. On notice from the director of the Arizona health care cost
2 containment system administration, the state treasurer shall invest and
3 divest monies in the fund as provided by section 35-313, and monies earned
4 from investment shall be credited to the fund.

5 C. Fund monies shall be spent on approval of the Arizona health
6 care cost containment system administration solely for housing projects
7 AND RENTAL ASSISTANCE for seriously mentally ill persons.

8 D. The director of the Arizona health care cost containment system
9 administration shall report annually to the legislature on the status of
10 the seriously mentally ill housing trust fund. The report shall include a
11 summary of facilities for which funding was provided during the preceding
12 fiscal year and shall show the cost and geographic location of each
13 facility and the number of individuals benefiting from the operation,
14 construction or renovation of the facility. THE REPORT SHALL ALSO INCLUDE
15 THE NUMBER OF INDIVIDUALS WHO BENEFITED FROM RENTAL ASSISTANCE. The
16 report shall be submitted to the president of the senate and the speaker
17 of the house of representatives ~~no~~ NOT later than September 1 of each
18 year.

19 E. Monies in the seriously mentally ill housing trust fund are
20 exempt from the provisions of section 35-190 relating to lapsing of
21 appropriations.

22 F. An amount not to exceed ten percent of the seriously mentally
23 ill housing trust fund monies may be appropriated annually by the
24 legislature to the Arizona health care cost containment system for
25 administrative costs in providing services relating to the seriously
26 mentally ill housing trust fund.

27 G. For any construction project financed by the Arizona health care
28 cost containment system administration pursuant to this section, the
29 administration shall notify a city, town, county or tribal government that
30 a project is planned for its jurisdiction and, before proceeding, shall
31 seek comment from the governing body of the city, town, county or tribal
32 government or an official authorized by the governing body of the city,
33 town, county or tribal government. The Arizona health care cost
34 containment system administration shall not interfere with or attempt to
35 override the local jurisdiction's planning, zoning or land use
36 regulations.

37 Sec. 12. Title 46, chapter 2, Arizona Revised Statutes, is amended
38 by adding article 9, to read:

39 ARTICLE 9. FAMILY CAREGIVER GRANT PROGRAM

40 46-341. Definitions

41 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

- 42 1. "DEPARTMENT" MEANS THE DEPARTMENT OF ECONOMIC SECURITY.
43 2. "DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT.

1 3. "QUALIFYING EXPENSES":

2 (a) MEANS THOSE EXPENSES THAT RELATE DIRECTLY TO CARING FOR OR
3 SUPPORTING A QUALIFYING FAMILY MEMBER.

4 (b) INCLUDES:

5 (i) IMPROVING OR ALTERING THE INDIVIDUAL'S PRIMARY RESIDENCE,
6 WHETHER OWNED OR RENTED BY THE INDIVIDUAL, TO ENABLE OR ASSIST THE
7 QUALIFYING FAMILY MEMBER TO BE MOBILE, SAFE OR INDEPENDENT.

8 (ii) PURCHASING OR LEASING EQUIPMENT OR ASSISTIVE CARE TECHNOLOGY
9 TO ENABLE OR ASSIST THE QUALIFYING FAMILY MEMBER TO CARRY OUT ONE OR MORE
10 DAILY LIVING ACTIVITIES.

11 (c) DOES NOT INCLUDE:

12 (i) REGULAR FOOD, CLOTHING OR TRANSPORTATION EXPENSES OR GIFTS
13 PROVIDED TO THE QUALIFYING FAMILY MEMBER.

14 (ii) ORDINARY HOUSEHOLD MAINTENANCE OR REPAIRS THAT ARE NOT
15 DIRECTLY RELATED TO AND NECESSARY FOR THE CARE OF THE QUALIFYING FAMILY
16 MEMBER.

17 (iii) ANY AMOUNT THAT IS PAID OR REIMBURSED BY INSURANCE OR BY THE
18 FEDERAL GOVERNMENT, THIS STATE OR A POLITICAL SUBDIVISION OF THIS STATE.

19 4. "QUALIFYING FAMILY MEMBER" MEANS AN INDIVIDUAL WHO MEETS ALL OF
20 THE FOLLOWING REQUIREMENTS:

21 (a) IS AT LEAST EIGHTEEN YEARS OF AGE DURING THE CALENDAR YEAR.

22 (b) REQUIRES ASSISTANCE WITH ONE OR MORE ACTIVITIES OF DAILY LIVING
23 AS CERTIFIED BY A PHYSICIAN WHO IS LICENSED PURSUANT TO TITLE 32, CHAPTER
24 13 OR 17, A REGISTERED NURSE PRACTITIONER WHO IS LICENSED PURSUANT TO
25 TITLE 32, CHAPTER 15 OR A PHYSICIAN ASSISTANT WHO IS LICENSED PURSUANT TO
26 TITLE 32, CHAPTER 25.

27 (c) IS THE INDIVIDUAL'S SPOUSE OR THE INDIVIDUAL'S OR SPOUSE'S
28 CHILD, GRANDCHILD, STEPCHILD, PARENT, STEPPARENT, GRANDPARENT, SIBLING,
29 UNCLE OR AUNT, WHETHER OF THE WHOLE OR HALF BLOOD OR BY ADOPTION.

30 46-342. Family caregiver grant program; requirements

31 A. BEGINNING JANUARY 1, 2020, THE FAMILY CAREGIVER GRANT PROGRAM IS
32 ESTABLISHED FOR INDIVIDUALS WHO HAVE QUALIFYING EXPENSES DURING A CALENDAR
33 YEAR DUE TO CARING FOR AND SUPPORTING A QUALIFYING FAMILY MEMBER IN THE
34 INDIVIDUAL'S HOME.

35 B. TO APPLY FOR A FAMILY CAREGIVER GRANT:

36 1. AN INDIVIDUAL MUST SUBMIT AN APPLICATION TO THE DEPARTMENT ON A
37 FORM PRESCRIBED BY THE DEPARTMENT.

38 2. BE A RESIDENT OF THIS STATE.

39 3. THE INDIVIDUAL'S ARIZONA GROSS INCOME, TOGETHER WITH ANY ARIZONA
40 GROSS INCOME OF EACH QUALIFYING FAMILY MEMBER, IN THE TAXABLE YEAR MAY NOT
41 EXCEED:

42 (a) \$75,000 IN THE CASE OF A SINGLE PERSON OR A MARRIED PERSON
43 FILING SEPARATELY.

44 (b) \$150,000 IN THE CASE OF A MARRIED COUPLE FILING A JOINT RETURN.

1 4. THE INDIVIDUAL MUST INCUR QUALIFYING EXPENSES DURING THE
2 CALENDAR YEAR IN WHICH THE INDIVIDUAL APPLIES FOR THE GRANT FOR THE CARE
3 OF ONE OR MORE QUALIFYING FAMILY MEMBERS.

4 5. THE INDIVIDUAL MUST SUBMIT WITH THE CLAIM FOR THE GRANT THE
5 QUALIFYING FAMILY MEMBER'S NAME AND RELATIONSHIP TO THE INDIVIDUAL.

6 C. THE AMOUNT OF THE GRANT IS EQUAL TO FIFTY PERCENT OF THE
7 QUALIFYING EXPENSES INCURRED DURING THE CALENDAR YEAR IN WHICH THE
8 INDIVIDUAL APPLIES FOR THE GRANT BUT NOT MORE THAN \$1,000 FOR EACH
9 QUALIFYING FAMILY MEMBER.

10 D. AN INDIVIDUAL WHO RECEIVES A GRANT UNDER THIS SECTION IS NOT
11 ELIGIBLE TO APPLY FOR A GRANT UNDER THIS SECTION AGAIN FOR THREE
12 CONSECUTIVE CALENDAR YEARS.

13 E. THE DEPARTMENT SHALL CERTIFY APPLICATIONS FOR THE GRANT ON A
14 FIRST-COME, FIRST-SERVED BASIS. THE DEPARTMENT MAY NOT AWARD GRANTS UNDER
15 THIS SECTION THAT EXCEED IN THE AGGREGATE \$500,000 FOR ANY CALENDAR YEAR.
16 THE DEPARTMENT SHALL INCLUDE QUESTIONS IN THE APPLICATION TO HELP THE
17 DEPARTMENT DETERMINE WHETHER THE GRANTS THAT WERE PROVIDED DELAYED OR
18 PREVENTED A QUALIFYING FAMILY MEMBER FROM ENTERING A LONG-TERM CARE
19 FACILITY OR ASSISTED LIVING FACILITY IN THE CALENDAR YEAR OF THE
20 APPLICATION OR FUTURE CALENDAR YEARS.

21 F. THE DEPARTMENT MAY USE THE ADVISORY COUNCIL ON AGING TO PROVIDE
22 INPUT ON APPROVAL OF APPLICATIONS FOR GRANTS AND WHETHER AN EXPENSE IS A
23 QUALIFYING EXPENSE OR OTHER ISSUES RELATING TO THE GRANT PROGRAM AS
24 DETERMINED BY THE DEPARTMENT.

25 46-343. Family caregiver grant program fund: report

26 A. THE FAMILY CAREGIVER GRANT PROGRAM FUND IS ESTABLISHED. THE
27 DIRECTOR SHALL ADMINISTER THE FUND. THE FUND SHALL CONSIST OF GRANTS,
28 GIFTS, DONATIONS AND LEGISLATIVE APPROPRIATIONS. MONIES IN THE FUND ARE
29 CONTINUOUSLY APPROPRIATED. MONIES IN THE FUND MAY BE SPENT ONLY FOR
30 GRANTS PROVIDED TO INDIVIDUALS WHO ARE CARING FOR AND SUPPORTING A
31 QUALIFYING FAMILY MEMBER IN THE INDIVIDUAL'S HOME AS SPECIFIED IN THIS
32 ARTICLE.

33 B. EXPENDITURES FROM THE FAMILY CAREGIVER GRANT PROGRAM FUND FROM
34 THE PREVIOUS CALENDAR YEAR SHALL BE REPORTED TO THE LEGISLATURE IN THE
35 COURSE OF THE DEPARTMENT'S ANNUAL REPORT. THE DEPARTMENT SHALL INCLUDE
36 AGGREGATED DATA SUMMARIZING THE QUALIFYING EXPENSES THAT WERE APPROVED FOR
37 GRANTS, THE TYPES OF INDIVIDUALS THAT QUALIFIED FOR THE GRANTS AND
38 INFORMATION ABOUT THE ABILITY FOR QUALIFIED FAMILY MEMBERS TO DELAY
39 ENTERING A LONG-TERM CARE FACILITY OR ASSISTED LIVING FACILITY.

40 C. THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND
41 AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE
42 CREDITED TO THE FUND.

D. INTEREST OR OTHER INCOME DERIVED FROM THE FAMILY CAREGIVER GRANT PROGRAM FUND MAY BE USED ONLY FOR THE PURPOSES OF THIS ARTICLE. INTEREST OR OTHER INCOME DERIVED FROM THE FAMILY CAREGIVER GRANT PROGRAM FUND MAY NOT BE USED TO SUPPLANT OTHER APPROPRIATIONS.

Sec. 13. Delayed repeal

Title 46, chapter 2, article 9, Arizona Revised Statutes, as added by this act, is repealed from and after June 30, 2023.

Sec. 14. ALTCS; county contributions; fiscal year 2019-2020

A. Notwithstanding section 11-292, Arizona Revised Statutes, county contributions for the Arizona long-term care system for fiscal year 2019-2020 are as follows:

1. Apache	\$ 720,200
2. Cochise	\$ 5,176,200
3. Coconino	\$ 2,162,200
4. Gila	\$ 2,418,200
5. Graham	\$ 1,684,400
6. Greenlee	\$ 8,200
7. La Paz	\$ 822,000
8. Maricopa	\$185,791,300
9. Mohave	\$ 9,232,700
10. Navajo	\$ 2,981,000
11. Pima	\$ 45,157,400
12. Pinal	\$ 13,755,300
13. Santa Cruz	\$ 2,266,800
14. Yavapai	\$ 8,543,800
15. Yuma	\$ 9,556,400

B. If the overall cost for the Arizona long-term care system exceeds the amount specified in the general appropriations act for fiscal year 2019-2020, the state treasurer shall collect from the counties the difference between the amount specified in subsection A of this section and the counties' share of the state's actual contribution. The counties' share of the state's contribution shall comply with any federal maintenance of effort requirements. The director of the Arizona health care cost containment system administration shall notify the state treasurer of the counties' share of the state's contribution and report the amount to the director of the joint legislative budget committee. The state treasurer shall withhold from any other monies payable to a county from whatever state funding source is available an amount necessary to fulfill that county's requirement specified in this subsection. The state treasurer may not withhold distributions from the Arizona highway user revenue fund pursuant to title 28, chapter 18, article 2, Arizona Revised Statutes. The state treasurer shall deposit the amounts withheld pursuant to this subsection and amounts paid pursuant to subsection A of this

1 section in the long-term care system fund established by section 36-2913,
2 Arizona Revised Statutes.

3 Sec. 15. AHCCCS; disproportionate share payments; fiscal year
4 2019-2020

5 A. Disproportionate share payments for fiscal year 2019-2020 made
6 pursuant to section 36-2903.01, subsection O, Arizona Revised Statutes,
7 include:

8 1. \$113,818,500 for a qualifying nonstate operated public hospital.
9 The Maricopa county special health care district shall provide a certified
10 public expense form for the amount of qualifying disproportionate share
11 hospital expenditures made on behalf of this state to the Arizona health
12 care cost containment system administration on or before May 1, 2020 for
13 all state plan years as required by the Arizona health care cost
14 containment system section 1115 waiver standard terms and conditions. The
15 administration shall assist the district in determining the amount of
16 qualifying disproportionate share hospital expenditures. Once the
17 administration files a claim with the federal government and receives
18 federal financial participation based on the amount certified by the
19 Maricopa county special health care district, if the certification is
20 equal to or less than \$113,818,500 and the administration determines that
21 the revised amount is correct pursuant to the methodology used by the
22 administration pursuant to section 36-2903.01, Arizona Revised Statutes,
23 as amended by this act, the administration shall notify the governor, the
24 president of the senate and the speaker of the house of representatives,
25 shall distribute \$4,202,300 to the Maricopa county special health care
26 district and shall deposit the balance of the federal financial
27 participation in the state general fund. If the certification provided is
28 for an amount less than \$113,818,500 and the administration determines
29 that the revised amount is not correct pursuant to the methodology used by
30 the administration pursuant to section 36-2903.01, Arizona Revised
31 Statutes, as amended by this act, the administration shall notify the
32 governor, the president of the senate and the speaker of the house of
33 representatives and shall deposit the total amount of the federal
34 financial participation in the state general fund. If the certification
35 provided is for an amount greater than \$113,818,500, the administration
36 shall distribute \$4,202,300 to the Maricopa county special health care
37 district and shall deposit \$75,493,400 of the federal financial
38 participation in the state general fund. The administration may make
39 additional disproportionate share hospital payments to the Maricopa county
40 special health care district pursuant to section 36-2903.01, subsection P,
41 Arizona Revised Statutes, and subsection B of this section.

2. \$28,474,900 for the Arizona state hospital. The Arizona state hospital shall provide a certified public expense form for the amount of qualifying disproportionate share hospital expenditures made on behalf of this state to the administration on or before March 31, 2020. The administration shall assist the Arizona state hospital in determining the amount of qualifying disproportionate share hospital expenditures. Once the administration files a claim with the federal government and receives federal financial participation based on the amount certified by the Arizona state hospital, the administration shall deposit the entire amount of federal financial participation in the state general fund. If the certification provided is for an amount less than \$28,474,900, the administration shall notify the governor, the president of the senate and the speaker of the house of representatives and shall deposit the entire amount of federal financial participation in the state general fund. The certified public expense form provided by the Arizona state hospital shall contain both the total amount of qualifying disproportionate share hospital expenditures and the amount limited by section 1923(g) of the social security act.

3. \$884,800 for private qualifying disproportionate share hospitals. The Arizona health care cost containment system administration shall make payments to hospitals consistent with this appropriation and the terms of the section 1115 waiver, but payments are limited to those hospitals that either:

(a) Meet the mandatory definition of disproportionate share qualifying hospitals under section 1923 of the social security act.

(b) Are located in Yuma county and contain at least three hundred beds.

B. After the distributions made pursuant to subsection A of this section, the allocations of disproportionate share hospital payments made pursuant to section 36-2903.01, subsection P, Arizona Revised Statutes, shall be made available first to qualifying private hospitals located outside the Phoenix metropolitan statistical area and the Tucson metropolitan statistical area before being made available to qualifying hospitals within the Phoenix metropolitan statistical area and the Tucson metropolitan statistical area.

Sec. 16. AHCCCS transfer; counties; federal monies; fiscal year 2019-2020

On or before December 31, 2020, notwithstanding any other law, for fiscal year 2019-2020 the Arizona health care cost containment system administration shall transfer to the counties the portion, if any, as may be necessary to comply with section 10201(c)(6) of the patient protection and affordable care act (P.L. 111-148), regarding the counties' proportional share of this state's contribution.

Sec. 17. County acute care contribution; fiscal year
2019-2020

A. Notwithstanding section 11-292, Arizona Revised Statutes, for fiscal year 2019-2020 for the provision of hospitalization and medical care, the counties shall contribute the following amounts:

1. Apache	\$ 268,800
2. Cochise	\$ 2,214,800
3. Coconino	\$ 742,900
4. Gila	\$ 1,413,200
5. Graham	\$ 536,200
6. Greenlee	\$ 190,700
7. La Paz	\$ 212,100
8. Maricopa	\$18,131,400
9. Mohave	\$ 1,237,700
10. Navajo	\$ 310,800
11. Pima	\$14,951,800
12. Pinal	\$ 2,715,600
13. Santa Cruz	\$ 482,800
14. Yavapai	\$ 1,427,800
15. Yuma	\$ 1,325,100

B. If a county does not provide funding as specified in subsection A of this section, the state treasurer shall subtract the amount owed by the county to the Arizona health care cost containment system fund and the long-term care system fund established by section 36-2913, Arizona Revised Statutes, from any payments required to be made by the state treasurer to that county pursuant to section 42-5029, subsection D, paragraph 2, Arizona Revised Statutes, plus interest on that amount pursuant to section 44-1201, Arizona Revised Statutes, retroactive to the first day the funding was due. If the monies the state treasurer withholds are insufficient to meet that county's funding requirements as specified in subsection A of this section, the state treasurer shall withhold from any other monies payable to that county from whatever state funding source is available an amount necessary to fulfill that county's requirement. The state treasurer may not withhold distributions from the Arizona highway user revenue fund pursuant to title 28, chapter 18, article 2, Arizona Revised Statutes.

C. Payment of an amount equal to one-twelfth of the total amount determined pursuant to subsection A of this section shall be made to the state treasurer on or before the fifth day of each month. On request from the director of the Arizona health care cost containment system administration, the state treasurer shall require that up to three months' payments be made in advance, if necessary.

D. The state treasurer shall deposit the amounts paid pursuant to subsection C of this section and amounts withheld pursuant to subsection B

1 of this section in the Arizona health care cost containment system fund
2 and the long-term care system fund established by section 36-2913, Arizona
3 Revised Statutes.

4 E. If payments made pursuant to subsection C of this section exceed
5 the amount required to meet the costs incurred by the Arizona health care
6 cost containment system for the hospitalization and medical care of those
7 persons defined as an eligible person pursuant to section 36-2901,
8 paragraph 6, subdivisions (a), (b) and (c), Arizona Revised Statutes, the
9 director of the Arizona health care cost containment system administration
10 may instruct the state treasurer either to reduce remaining payments to be
11 paid pursuant to this section by a specified amount or to provide to the
12 counties specified amounts from the Arizona health care cost containment
13 system fund and the long-term care system fund established by section
14 36-2913, Arizona Revised Statutes.

15 F. The legislature intends that the Maricopa county contribution
16 pursuant to subsection A of this section be reduced in each subsequent
17 year according to the changes in the GDP price deflator. For the purposes
18 of this subsection, "GDP price deflator" has the same meaning prescribed
19 in section 41-563, Arizona Revised Statutes.

20 Sec. 18. Proposition 204 administration; exclusion; county
21 expenditure limitations

22 County contributions for the administrative costs of implementing
23 sections 36-2901.01 and 36-2901.04, Arizona Revised Statutes, that are
24 made pursuant to section 11-292, subsection 0, Arizona Revised Statutes,
25 are excluded from the county expenditure limitations.

26 Sec. 19. Competency restoration; exclusion; county
27 expenditure limitation

28 County contributions made pursuant to section 13-4512, Arizona
29 Revised Statutes, as amended by this act, are excluded from the county
30 expenditure limitations.

31 Sec. 20. AHCCCS; risk contingency rate setting

32 Notwithstanding any other law, for the contract year beginning
33 October 1, 2019 and ending September 30, 2020, the Arizona health care
34 cost containment system administration may continue the risk contingency
35 rate setting for all managed care organizations and the funding for all
36 managed care organizations administrative funding levels that were imposed
37 for the contract year beginning October 1, 2010 and ending September 30,
38 2011.

39 Sec. 21. Department of health services; fees; increase;
40 intent; rulemaking exemption

41 A. Notwithstanding any other law, the director of the department of
42 health services may increase fees in fiscal year 2019-2020 for services
43 provided by the bureau of radiation control in fiscal year 2019-2020.

1 B. The legislature intends that the revenue generated by the fees
2 collected pursuant to subsection A of this section not exceed \$1,900,000.

3 C. The department of health services shall deposit monies received
4 from any fees increased pursuant to subsection A of this section in the
5 health services licensing fund established by section 36-414, Arizona
6 Revised Statutes.

7 D. The department of health services is exempt from the rulemaking
8 requirements of title 41, chapter 6, Arizona Revised Statutes, until
9 July 1, 2020 for the purpose of increasing fees pursuant to this section.

10 Sec. 22. Health services lottery monies fund; use; fiscal
11 year 2019-2020

12 Notwithstanding sections 5-572 and 36-108.01, Arizona Revised
13 Statutes, monies in the health services lottery monies fund established by
14 section 36-108.01, Arizona Revised Statutes, may be used for the purposes
15 specified in the fiscal year 2019-2020 general appropriations act.

16 Sec. 23. AHCCCS; secure behavioral health residential
17 facilities; report

18 On or before January 31, 2022, the Arizona health care cost
19 containment system administration shall issue to the governor, the
20 president of the senate and the speaker of the house of representatives a
21 report that measures the outcomes over a twelve-month period of persons
22 who have been determined to be seriously mentally ill and who reside in
23 secure behavioral health residential facilities licensed pursuant to
24 section 36-425.06, Arizona Revised Statutes, as added by this act. The
25 report shall include an analysis of costs and effectiveness of the
26 services provided in secure behavioral health residential facilities that
27 takes into consideration the encounters of the seriously mentally ill
28 residents related to inpatient care, emergency department visits,
29 hospitalization, civil commitment proceedings, incarceration,
30 homelessness, employment, community engagement and encounters with police
31 and fire personnel, including petitioning and contact with crisis centers,
32 citation in lieu of detention, jail bookings and other contact with first
33 responders. The administration may contract with a third-party entity to
34 collect the data and compile the report. The administration shall provide
35 a copy of the report to the secretary of state.

36 Sec. 24. Intent; implementation of program

37 The legislature intends that for fiscal year 2019-2020 the Arizona
38 health care cost containment system administration implement a program
39 within the available appropriation.

APPROVED BY THE GOVERNOR MAY 31, 2019.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 31, 2019.

Passed the House May 24, 20 19

by the following vote: 31 Ayes,

29 Nays, 0 Not Voting

[Signature]
Speaker of the House

☐ Pro Tempore

[Signature]
Chief Clerk of the House

Passed the Senate May 27, 20 19

by the following vote: 16 Ayes,

13 Nays, 1 Not Voting

[Signature]
President of the Senate

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

27th day of May, 20 19

at 9:52 o'clock P M.

[Signature]
Secretary to the Governor

Approved this 31st day of

May 2019

at 8:17 o'clock A M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 31 day of May, 20 19

at 8:42 o'clock A M.

[Signature]
Secretary of State

H.B. 2754